

KEYSPAN ENERGY DELIVERY NEW ENGLAND
D.T.E. 05-68

FIRST SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
KEYSPAN ENERGY DELIVERY NEW ENGLAND

DTE 1-11

Date: February 1, 2006

Respondent: Elizabeth D. Arangio

- Q. Please identify the circumstances/scenarios KeySpan considered in designing its contingency plan.
- A. As discussed in the response to Information Request DTE-1-10, the Company's response to a gas-supply contingency is a function of two factors: (1) the nature of the contingency; and (2) the timing of the contingency. It would be very difficult for the Company to identify a set of circumstances or scenarios that would encompass the range of possible contingencies that have the potential to occur across the supply chain.

This is especially true for a contingency involving interstate pipeline capacity, for which there are literally a multitude of responses that could be implemented, depending upon the timing and precise geographic location of the contingency.

The Company has specifically considered the steps that it would take in relation to a contingency event involving the unavailability of LNG. In that regard, the Company has considered the potential for three scenarios, which are: (1) no LNG shipments for one month, (2) no LNG shipments or sporadic shipments for the winter; and (3) no shipments for the long term. Without knowing the precise circumstances of the contingency, there are several steps that the Company would take if one of these scenarios were to arise. For example, the Company would seek to purchase LNG from other locations along the Northeast corridor and to truck those supplies to the Company's facilities. For example, the Company could obtain LNG from both the NSTAR Gas facility in Hopkinton, Massachusetts, or the Philadelphia Gas Works in Philadelphia, Pennsylvania. The Company would also look to supplement deliveries with incremental pipeline or citygate-delivered supplies, perhaps on a short-term or peaking basis to meet needs on the coldest days.

The Company's participation in the Northeast Gas Association Emergency Task Force would be critical in the event of a contingency involving the DOMAC facility because such an event would affect other LDCs serving customers in the Commonwealth.